



DEPARTMENT OF INSURANCE
STATE OF NORTH DAKOTA
600 East Boulevard Avenue Bismarck, ND 58505
Phone: (701) 328-2440 Fax: (701) 328-4880

Jim Poolman
Commissioner of Insurance

Dear Friends,

As North Dakota Insurance Commissioner, it's my job to do everything possible to protect insurance consumers. In an effort to do just that, I am sending you this packet to provide you with information about important, though sometimes confusing, health insurance issues.

This packet is designed to provide you with information about your health insurance needs as you approach Medicare eligibility. You will find helpful tips concerning Medicare, Medicare supplement insurance and long-term care insurance. I hope this information will be useful to you as you make decisions about these products.

If you are interested in buying a Medicare supplement insurance policy, please know that you can now directly compare how much the companies will charge you for identical plans. I've included a sample comparison chart and an order form if you would like more information.

Finally, I want to make you aware of the **Senior Health Insurance Counseling (SHIC)** program, an exciting service available statewide to North Dakota seniors. If you have an insurance-related question or problem, we have trained volunteers in many communities across the state ready to assist you – *confidentially and free of charge*. In the packet you will find a complete list of SHIC sites and telephone numbers. Help is now just a phone call away.

I hope you will review this material and keep it for future use. If you have questions or need assistance in the future on any of these topics, please call us toll-free at 1-800-247-0560.

Sincerely,

A handwritten signature in cursive script that reads "Jim Poolman".

Jim Poolman
INSURANCE COMMISSIONER

SENIOR HEALTH INSURANCE NEWS

Important Information for Medicare Eligible North Dakotans

provided as a service of the

North Dakota Insurance Department
600 East Boulevard
Bismarck, ND 58505
(701) 328-2440
1-800-247-0560

Understanding Medicare

What Is Medicare?

Medicare is a national, tax-supported health insurance program for people 65 and over and some persons with disabilities. If you or your spouse have worked full time for 10 or more years over a lifetime, you are probably eligible to receive Medicare Part A (Hospital Insurance) for free. Medicare Part B (Medical Insurance) is available at a monthly rate set annually by Congress.

Some seniors are eligible to receive the medical insurance portion (Part B) free as well, depending on their income and asset levels. For more information, inquire about the Qualified Medicare Beneficiary (QMB), Special Low Income Medicare Beneficiary (SLMB), and Qualifying Individual programs through your county social services office.

How Does Medicare Work?

Medicare is actually two separate types of insurance-- hospital and medical. It is not intended to cover all your medical expenses.

Hospital insurance (Part A of Medicare) covers medical treatment and surgical procedures performed in a hospital. It also covers hospice, home health, and limited skilled nursing care.

Medical insurance (Part B of Medicare) covers part of the cost of doctor bills, outpatient care, medical equipment, and lab and diagnostic tests.

How Do I Get Medicare?

If you are receiving Social Security benefits prior to turning 65, you should automatically receive notification of your enrollment in Medicare shortly before your 65th birthday. Other individuals must apply by calling or visiting their Social Security office to receive Medicare.

If you are not yet receiving Social Security or if you have not received a Medicare enrollment notice, you should contact the nearest Social Security office for information.

Applications for Medicare can be made during a seven-month period beginning three months prior to the month of your 65th birthday. **IT IS BEST TO APPLY DURING THE THREE MONTHS PRIOR TO THE MONTH OF YOUR 65TH BIRTHDAY.** If an application is made during that time, coverage will begin on the first day of your birth month. Applying later will delay the start of your benefits.

You can also apply for Medicare from January 1 through March 31 every year after your 65th birthday. Your coverage then starts July 1 of the year you signed up and you will pay a 10 percent surcharge on the Part B premium for each 12 months you were eligible but not enrolled.

What If I Am Still Working?

If you continue to work after age 65 or your spouse is working and you are covered by an employer group health plan (EGHP), you may want to delay enrollment in Part B of Medicare.

Enrolling in Medicare Part B will trigger your open enrollment for Medicare supplement insurance at a time when you do not need supplemental coverage. The penalty for late enrollment in Part B does not apply if you are covered by an EGHP because of your or your spouse's current employment.

If you do work after age 65, you may apply for Medicare Part B at any time prior to retirement, **but you must apply no later than eight months after your formal retirement in order to avoid paying a premium penalty.** Even if your employer offers a retirement health plan, you will want to sign up for Medicare Part A and probably for Medicare Part B when you retire. Most retirement plans assume you are covered under Medicare and will not pay for services that Medicare would have covered.

Veterans may be eligible for special medical programs. However, eligibility and benefits are very restrictive and are subject to change. The Department of Veterans Affairs advises veterans to apply for both Parts A and B of Medicare to ensure adequate medical coverage.

What About Costs Medicare Does Not Cover?

Medicare pays for only a portion of hospital and medical bills. As with many private insurance plans, the government expects beneficiaries to pay a share of their bills.

Medicare Parts A and B both have deductible and coinsurance requirements. Private insurance is available to cover all or some of these out-of-pocket costs. These insurance plans are called Medicare supplements (also called Med Sup or Medigap plans).

Medicare Supplement Insurance

10 Standardized Plans

There are 10 standardized Medicare supplement insurance plans available nationwide--Plans A through J. Plan A pays the Medicare hospital and physician coinsurance, the first three pints of blood, and 365 days of hospitalization beyond Medicare. Plans B through J provide these benefits and add further benefits such as coverage for Medicare deductibles, excess charges and limited preventive care, foreign travel, and prescription drugs.

ONLY ONE MED SUP PLAN IS NECESSARY. You should only buy one Med Sup plan. No one should try to sell you an additional Med Sup plan unless you decide you need to switch policies.

On page 5 is a grid which illustrates the benefits included in the 10 standardized plans. **The four-page insert accompanying this pamphlet includes a comparison of premiums for Medicare Supplement Plan F at age 65.** Comparisons for other plans are available by calling 1-800-247-0560 or filling out and sending in the information at the bottom of the "Explanation and Request Form". You can also access the information at www.state.nd.us/ndins.

Open Enrollment in Medicare Supplement Insurance

At age 65, all consumers -- including those already receiving Medicare due to disability -- have a six-month "open enrollment" period. For six months beginning when you are both age 65 or older and enrolled in Medicare Part B, companies must sell you any Medicare supplement plan they offer. After this limited open enrollment period, companies can pick and choose whom they will cover.

Other Options

If you have an individual or "bank group" insurance policy, becoming Medicare eligible does not require you to cancel it and purchase a Medicare supplement. Doing so may save premium costs but it is important to compare benefits before deciding what will work best.

If you are eligible for employer retirement insurance, review the plan carefully to understand what benefits are available and how it works with Medicare. Be aware that employer plans are not standardized and are not subject to the requirements governing standardized Medicare supplement policies.

Some North Dakota residents are eligible to enroll in approved Medicare Advantage plans. These plans are offered by private insurance companies. Each year Medicare Advantage companies decide where they will offer their plans, what benefits will be offered, and what the premiums will be. There are two Medicare Advantage plans available in several counties in eastern North Dakota.

Medicare Advantage Plans

Medica Prime Solution is a Medicare cost plan that covers many out-of-pocket costs when a network physician or other provider is used; that is, the care provider must be contracted with Medica. A member of Medica Prime Solution gets all of the benefits that original Medicare covers, plus other benefits. Depending on plan choice, a member may be responsible for paying co-payments for certain covered services. This plan is available to residents of Barnes, Cass, Dickey, Grand Forks, Griggs, LaMoure, Ransom, Richland, Sargent, Steele, Stutsman, and Traill Counties.

For further information, contact the Medica Center for Healthy AgingSM between 8:00 a.m. and 5:00 p.m. Monday through Thursday, or between 9:00 a.m. and 5:00 p.m. Friday at (952) 992-2345 or 1-800-906-5432. Hearing impaired persons with a TTY telephone may contact us at (952) 992-3650 or 1-800-234-8819.

Humana Gold Choice is a Private Fee-for-Service Plan (another type of Medicare Advantage Plan) offered by Humana Insurance Company. It is available to most Medicare beneficiaries in 22 North Dakota counties: Barnes, Cass, Cavalier, Dickey, Eddy, Foster, Grand Forks, Griggs, Kidder, LaMoure, Logan, McIntosh, Nelson, Pembina, Ramsey, Ransom, Richland, Sargent, Steele, Stutsman, Traill and Walsh. It is offered by Humana Insurance Company. For more information call 1-800-336-6765.

Joining a Medicare Advantage plan requires careful thought. For more information call the North Dakota Insurance Department at 1-800-247-0560.

RUGBY AREA

The Heart of America Health Plan (HAHP) offers Medicare managed care coverage to people living in Pierce and Rolette Counties and parts of Benson, Bottineau, McHenry, Towner, and Wells Counties as represented by the following zip codes: 58310, 58313, 58316, 58317, 58318, 58319, 58320, 58324, 58325, 58329, 58331, 58332, 58337, 58341, 58342, 58343, 58346, 58348, 58351, 58353, 58356, 58357, 58359, 58360, 58362, 58363, 58364, 58366, 58367, 58368, 58369, 58374, 58384, 58385, 58386, 58423, 58438, 58450, 58451, 58465, 58710, 58712, 58713, 58717, 58736, 58739, 58741, 58744, 58747, 58748, 58762, 58783, 58788, 58789, 58793.

Heart of America Health Plan provides all Medicare covered services and pays for deductibles and coinsurance for Medicare covered services. To enroll, you must have Medicare Parts A and B or Part B only (you must continue to pay the monthly Part B premium). The HAHP premium is community rated which means the rate is not determined by your age as you get older.

Once you enroll in Heart of America Health Plan, you must receive all routine care from your Heart of America Primary Care Physician and specialty care through your Primary Care Physician's referral to another provider. Emergency care is covered for HAHP members outside the market area. If you choose to go outside the plan's network without a referral, Medicare will still cover their portion of the costs; you would be responsible for any deductibles and coinsurance.

For additional information on Heart of America Health Plan, call (701) 776-5848 or 1-800-525-5661.

MEDICARE SUPPLEMENT STANDARDIZED PLANS

Medicare supplement insurance can be sold in only ten standard plans plus two high deductible plans. This chart shows the benefits included in each plan. Every company must make available Plan "A". Some plans may not be available in your state.

Basic Benefits: Included in All Plans.

Hospitalization: Part A coinsurance plus coverage for 365 additional days after Medicare benefits end.

Medical Expenses: Part B coinsurance (generally 20% of Medicare-approved expenses).

Blood: First three pints of blood each year.

A	B	C	D	E	F	F*	G	H	I	J	J*
Basic Benefits	Basic Benefits	Basic Benefits	Basic Benefits	Basic Benefits	Basic Benefits	Basic Benefits	Basic Benefits	Basic Benefits	Basic Benefits	Basic Benefits	Basic Benefits
		Skilled Nursing Co-Insurance	Skilled Nursing Co-Insurance	Skilled Nursing Co-Insurance	Skilled Nursing Co-Insurance	Skilled Nursing Co-Insurance	Skilled Nursing Co-Insurance	Skilled Nursing Co-Insurance	Skilled Nursing Co-Insurance	Skilled Nursing Co-Insurance	Skilled Nursing Co-Insurance
	Part A Deductible	Part A Deductible	Part A Deductible	Part A Deductible	Part A Deductible	Part A Deductible	Part A Deductible	Part A Deductible	Part A Deductible	Part A Deductible	Part A Deductible
		Part B Deductible			Part B Deductible	Part B Deductible				Part B Deductible	Part B Deductible
					Part B Excess (100%)	Part B Excess (100%)	Part B Excess (80%)		Part B Excess (100%)	Part B Excess (100%)	Part B Excess (100%)
		Foreign Travel Emergency	Foreign Travel Emergency	Foreign Travel Emergency	Foreign Travel Emergency	Foreign Travel Emergency	Foreign Travel Emergency	Foreign Travel Emergency	Foreign Travel Emergency	Foreign Travel Emergency	Foreign Travel Emergency
			At-Home Recovery				At-Home Recovery		At-Home Recovery	At-Home Recovery	At-Home Recovery
								Basic Drugs (\$1,250 Limit)	Basic Drugs (\$1,250 Limit)	Extended Drugs (\$3,000 Limit)	Extended Drugs (\$3,000 Limit)
				Preventive Care						Preventive Care	Preventive Care

*Plans F and J may also be offered with a high deductible option. These high deductible plans offer the same benefits as Plans F and J **after one has paid a calendar year \$1,690 (2004 - amounts change each calendar year) deductible**. Benefits from high deductible plans F and J will not begin until out-of-pocket expenses are \$1,690. Out-of-pocket expenses for this deductible are expenses that would ordinarily be paid by the policy. These expenses include the Medicare deductibles for Part A and Part B, but do not include, in plan J, the plan's separate prescription drug deductible or, in Plans F and J, the plan's separate foreign travel emergency deductible.

North Dakota Senior Health Insurance Counseling Program A Program of the North Dakota Insurance Department

Free and Confidential Help with Medicare and Other Health Insurance

The North Dakota Senior Health Insurance Counseling (SHIC) program provides local, volunteer, peer counselors trained in senior health insurance topics.

SHIC counselors help Medicare beneficiaries, their families, or other representatives, by providing information and answers to questions related to Medicare, Medicare supplement, long-term care insurance, or other health insurance products. SHIC counselors have no connection with any insurance company or product.

SHIC counselors receive extensive initial and ongoing training in Medicare, Medicare supplement, and long-term care insurance and other health insurance issues. **Counselors are available for individual appointments through sponsoring organizations to answer questions about Medicare and other health insurance.**

Counselors receive updated information regularly and have access to the resources of the North Dakota Insurance Department. They also have information on other local resources if clients have additional needs.

SHIC program staff are available to offer public presentations to groups and organizations. To schedule or to locate the SHIC program sponsor nearest you, call the Insurance Department toll-free in North Dakota. Ask for Bill Lardy (1-800-247-0560). Write us c/o Insurance Department, 600 East Boulevard, Bismarck, ND 58505-0320. Email: ndshic@state.nd.us. Local telephone: 328-2440. The information can also be accessed at www.state.nd.us/ndins.

Senior Health Insurance Counseling Program Local Information

Location	Program Sponsor	Contact Person	Telephone Number
Ashley	Ashley Medical Center	Lois Schlabsz	288-3433
Bismarck	St. Alexius Eldercare Medcenter One Geriatric Services/Golden Link Program	Karen Shilman Rodger Wetzel Jane Morrow	530-7389 323-6011
Bowman	Southwest Healthcare Services	Peggy Klewin	523-3214
Cando	Resthaven/Towner County Healthcare Center	Melodee Buresh	968-2554
Carrington	South Central Adult Services	Mavis Larsen	652-3257
Cooperstown	South Central Adult Services	Cindy Flatt	797-3330
Devils Lake	Senior Meals and Services	Jean Aardahl	662-5061
Dickinson	St. Joseph's Hospital Home Health Services	Gloria Krein Marion Froehlich	456-4379

Location	Program Sponsor	Contact Person	Telephone Number
Fargo	Fargo Senior Commission	Bernie Johnson	293-1440
Grand Forks	Greater Grand Forks Senior Citizens Association Red River Valley Community Action	Joyce Austin Karen Schelinder	772-7245 746-5431
Harvey	Sheridan Wells County Aging Council	Garnett Lukenbach	324-4032
Hazen	Sakakawea Medical Center	Mark Thorland	748-3300
Hettinger	Hillcrest Care Center West River Health Services	Jolyne Stippich Kim Schalesky	567-2401 567-4561
Jamestown	James River Senior Citizens Center	Cindy Nickerson	252-2882
Killdeer	Hilltop Home	Pam Hartman	764-5682
Langdon	Cavalier County Senior Meals & Services	Beatrice Delvo	256-2828
Linton	Linton Hospital	Jodi Hulm	254-4511
Marion	South Central Adult Services	Addie Haro	669-2538
Minot	Minot Commission on Aging Minot Housing Authority	Charlotte Zahn Brenda Boehler Kay Brunner	852-0561 852-0485
Napoleon	South Central Adult Services	Carrie Becker	754-2791
New Salem	Elm Crest Manor	Jo Hoger	843-7526
Rolla	Presentation Medical Center	Brenda Bergsrud	477-3167
Steele	Kidder County Senior Services	Neda Irish	475-2708
Valley City	South Central Adult Services	Dolly Hoelmer	845-4300
Wahpeton	Southeast Senior Services	Pam Foertsch	642-3033
Watford City	Region I Senior Services	Judy Jacobson	842-3760
Williston	Mercy Medical Center Region I Senior Services Northwest Human Service Center	Carol Miller Coreen Nehring Karen Froysland Robyn Soiseth	774-7445 577-6752 774-4613
Wishek	South Central Adult Services Community Hospital and Clinics	Carrie Becker Janine Ogren	452-2472 452-3113

Sponsor sites may be added or deleted between printings. Program sponsored by the North Dakota Insurance Department with Centers for Medicare & Medicaid Services grant funds. If there is not a program near you, call the North Dakota Insurance Department consumer hotline at 1-800-247-0560 or email at ndshic@state.nd.us. The internet address for SHIC is <http://www.state.nd.us/ndins/consinfo/counsel.html>.

Should I Purchase Long-Term Care Insurance?

In the past, families often stepped in to help when older family members were no longer able to care for themselves. Today, with older people living longer, families often living long distances apart and more women working outside the home, fewer families are able to provide this care.

A wide range of long-term care services is now available--day care, respite care, home care, and nursing care. These services are expensive and often exceed a person's ability to pay. In North Dakota for example, the average length of a nursing home stay is just under four years and the average annual cost for care is about \$36,000.

People often mistakenly assume that Medicare will cover their long-term care costs.

MEDICARE ONLY COVERS LONG-TERM CARE UNDER VERY, VERY LIMITED CIRCUMSTANCES. Less than five percent of all nursing home residents in North Dakota qualify for Medicare payment of their bills.

Many North Dakota residents are eligible for **Medicaid** payment of their long-term care bills. Medicaid is a medical assistance program for people with limited income and assets. Eligibility is determined by the local county social services office. More than half of all nursing home residents in North Dakota qualify for Medicaid payment of their nursing home care.

Private long-term care insurance is an option for people to consider, particularly if they have assets they wish to protect. You should not buy this type of insurance unless you can afford to pay the premiums every year. Remember, long-term care insurance premiums can and often do go up.

Long-term care plans are not standardized like Med Sup plans. Therefore, it is very important to shop around and compare benefit options and cost.

QUESTIONS ABOUT LONG-TERM CARE INSURANCE OR OTHER MATERIAL IN THIS PACKET?

**THE SENIOR HEALTH INSURANCE COUNSELING PROGRAM CAN HELP.
SEE PAGES 6-7 FOR DETAILS.**